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Proposed Attorneys for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

- and -

PACIFIC GAS AND ELECTRIC COMPANY

Debtors.

- Affects PG&E Corporation
 - Affects Pacific Gas and Electric Company
 - Affects both Debtors

* All papers shall be filed in the Lead Case, No. 19-30088 (DM).

Bankruptcy Case No. 19 - 30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**DECLARATION OF JANET LODUCA IN
SUPPORT OF APPLICATION OF
DEBTORS PURSUANT TO 11 U.S.C.
§ 327(a) AND FED. R. BANKR. P. 2014(a)
AND 2016 FOR AUTHORITY TO RETAIN
AND EMPLOY CRAVATH, SWAINE &
MOORE LLP AS CORPORATE AND
LITIGATION COUNSEL FOR THE
DEBTORS EFFECTIVE AS OF THE
PETITION DATE**

Date: April 23, 2019

Time: 9:30 a.m. (Pacific Time)

Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

Objection Deadline: April 16, 2019
4:00 p.m. (Pacific Time)

1 Pursuant to 28 U.S.C. § 1746, I, Janet Loduca, hereby declare as follows:

2 I am the Senior Vice President and Interim General Counsel of PG&E Corporation (“**PG&E**
3 **Corp.**”). In my current role, I am responsible for supervising outside counsel and monitoring and
4 managing legal fees and expenses.

5 On January 29, 2019 (the “**Petition Date**”), PG&E Corp. and Pacific Gas and Electric Company
6 (the “**Utility**”), as debtors and debtors in possession (collectively, “**PG&E**” or the “**Debtors**”) each
7 commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code
8 (the “**Bankruptcy Code**”). I submit this Declaration in support of the Debtors’ Application
9 (the “**Application**”)¹, pursuant to section 327(a) of the Bankruptcy Code and Rules 2014(a) and 2016 of
10 the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for authority to employ and
11 retain Cravath, Swaine & Moore LLP (“**Cravath**” or the “**Firm**”), as corporate and litigation counsel
12 for the Debtors in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”) effective as of the
13 Petition Date.

14 This Declaration is provided pursuant to Paragraph D.2 of the U.S. Trustee Guidelines for
15 Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330
16 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013 (the “**Fee Guidelines**”). Except
17 as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal
18 knowledge, information provided to me by the Debtors’ employees or advisors, or my opinion based
19 upon knowledge and experience as Senior Vice President and Interim General Counsel. I am authorized
20 to submit this Declaration on behalf of the Debtors.

21 The Debtors recognize that a comprehensive review process is necessary when selecting and
22 managing chapter 11 counsel to ensure that their bankruptcy professionals are subject to the same client-
23 driven market forces, security, and accountability as professionals in non-bankruptcy engagements.
24 Cravath has extensive experience representing the Debtors in ongoing litigation and regulatory matters
25 and advising the Debtors on corporate governance and financing matters. The Firm was retained as lead
26 trial counsel in lawsuits related to the 2017 and 2018 Northern California wildfires (collectively,
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¹ Capitalized terms used but not otherwise defined herein shall have the same meanings ascribed to such terms in the Application.

1 the “**Wildfire Litigations**”). In connection with the Wildfire Litigations, Cravath has advised PG&E on
2 a range of legal matters, including tort liability, regulatory compliance, and constitutional questions. In
3 addition to litigation and regulatory matters, Cravath also advises the Debtors on a variety of corporate
4 matters, including financings, corporate governance and disclosure, and other strategic issues. Most
5 recently, in November 2018, Cravath was retained by the Debtors to provide legal services in connection
6 with a potential bankruptcy filing, which ultimately resulted in the filing of these Chapter 11 Cases.
7 Through these engagements, Cravath has developed a deep understanding of the Debtors’ business
8 operations, capital structure and financial outlook. Given Cravath’s longstanding relationship with the
9 Debtors and generalized expertise in relevant areas, I believe that the Firm is both well qualified and
10 uniquely capable of performing the services described herein efficiently and effectively.

11 With respect to billing, Cravath has confirmed to me that it does not vary its billing rates or the
12 material terms of an engagement depending on whether such engagement is a bankruptcy or a non-
13 bankruptcy engagement. Cravath has advised me that the Firm’s current standard hourly rates, subject
14 to change from time to time, are \$1,100 to \$1,500 for partners, \$415 to \$1,090 for associates, and \$290
15 to \$360 for paraprofessionals. It is my understanding that Cravath reviews and adjusts its billing rates
16 annually, typically on or around January 1st of each year. Cravath has advised me that it will inform the
17 Debtors of any adjustment to its existing rate structure.

18 To the extent there is any disparity in Cravath’s billing rates and the billing rates of its peer firms,
19 I believe such rates are commensurate with the services Cravath provides and that Cravath’s retention
20 by the Debtors is warranted in these cases for the reasons set forth herein and in the Debtors’ Application.

21 I understand that Cravath’s fees and expenses will be subject to periodic review on a monthly,
22 interim, and final basis during the pendency of these Chapter 11 Cases by, among other parties, a fee
23 examiner or fee committee (if appointed), the Office of the United States Trustee and the Debtors, in
24 accordance with the terms of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules,
25 and any orders of the Court governing the procedures for approval of interim and final compensation of
26 professionals retained in Chapter 11 cases.

27 As Senior Vice President and Interim General Counsel, I supervise and manage legal fees and
28 expenses incurred by the Debtors’ outside counsel. Senior lawyers in our legal department acting at my

1 direction review the Debtors' outside counsel invoices and authorize all legal fees and expenses prior to
2 the payment of such fees to outside counsel. In so doing, the senior lawyers working at my direction in
3 the legal department assure that all requested fees and expenses are reasonable and correspond with
4 necessary or beneficial services rendered on behalf of the Debtors and their estates. The aforementioned
5 review and approval process does not differ when the Debtors employ outside counsel for non-
6 bankruptcy matters. Moreover, Cravath has informed me that the Debtors will be provided with the
7 opportunity to review all invoices and request adjustments to such invoices to the extent that the Debtors
8 determine that such adjustments are necessary and appropriate, which requests will be carefully
9 considered by Cravath.

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1 I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry,
2 the foregoing is true and correct.

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5 Dated: March 22, 2019

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7 */s/ Janet Loduca*

8 Janet Loduca

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